United Nations A/66/336

General Assembly

Distr.: General
2 September 2011

Original: English

Sixty-sixth session
Item 134 of the provisional agenda*
Proposed programme budget for the biennium 2012-2013

Construction of additional office facilities at the United Nations Office at Nairobi

Report of the Secretary-General

Summary

Pursuant to section I of General Assembly resolution 63/263, in which the Assembly endorsed the conclusions and recommendations of the Advisory Committee on Administrative and Budgetary Questions (A/63/465), progress reports are to be submitted annually to the Assembly for all ongoing construction projects.

The present report provides an update on the successful completion of the construction of additional office facilities at the United Nations Office at Nairobi.

* A/66/150.

11-48596 (E) 080911

Please recycle

I. Completion of construction

1. Construction of the new office facility at the United Nations Office at Nairobi commenced on 4 May 2009 with a scheduled substantial completion date in December 2010. The construction contract will be completed after the final payments are made in June 2012.

2. Construction of the new office facility was finished on time and substantial completion was achieved at the end of December 2010.

3. As envisaged by the Secretary-General in his report to the sixty-fifth session of the General Assembly (A/65/351), the work on internal office partitioning began in September 2010. According to the original schedule, partitioning work was to commence in early 2011, and occupation of the new office facility was to be completed by June 2011. The actual rate of work resulted in the completion of internal partitioning by March 2011 and allowed for occupancy of the building earlier than anticipated.

4. The United Nations Environment Programme (UNEP) moved into the new office facility during January and the first half of February 2011. This involved relocating approximately 550 staff members to the new building within one month, prior to the twenty-sixth session of the UNEP Governing Council, held from 21 to 25 February 2011.

5. The United Nations Human Settlements Programme (UN-Habitat) was also successfully moved into the new building during February and March 2011.

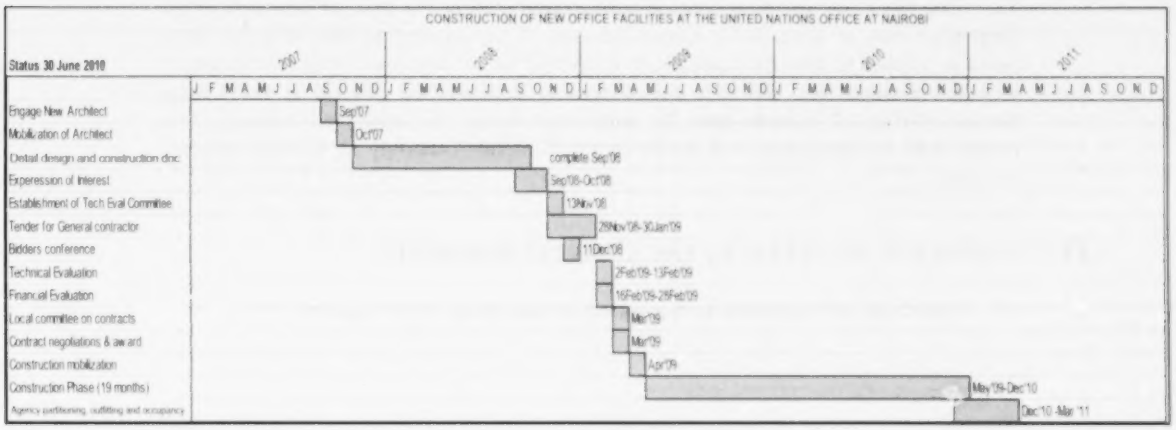
6. The formal inauguration of the new office facility took place on 31 March 2011 and was presided over by the Secretary-General and the President of Kenya.

7. Once UNEP and UN-Habitat vacated their original offices, the United Nations Office at Nairobi began reallocating those offices to other United Nations agencies, funds and programmes that had insufficient office space in the United Nations complex or were renting commercial office space outside the complex. The reallocation of these offices began in early 2011; by the end of June 2011 a significant number of moves had been completed.

II. Project schedule

8. The project schedule is shown in table 1. The construction was completed on schedule at the end of 2010. The internal partitioning and outfitting component was completed well ahead of schedule and the new building was fully occupied by the end of March 2011, as described above.

Table 1
Project schedule for construction of additional office facilities at the United Nations Office at Nairobi


CONSTRUCTION OF NEW OFFICE FACILITIES AT THE UNITED NATIONS OFFICE AT NAIROBI
Status 30 June 2010
2007
2008
2009
2010
2011
J F M A M J J A S O N D J F M A M J J A S O N D J F M A M J J A S O N D J F M A M J J A S O N D J F M A M J J A S O N D
Engage New Architect
Sep'07
Mobilization of Architect
Oct'07
Detail design and construction doc.
complete Sep'08
Expression of Interest
Sep'08-Oct'08
Establishment of Tech Eval Committee
13Nov'08
Tender for General contractor
28Nov'08-30Jan'09
Bidders conference
11Dec'08
Technical Evaluation
2Feb'09-13Feb'09
Financial Evaluation
16Feb'09-28Feb'09
Local committee on contracts
Mar'09
Contract negotiations & award
Mar'09
Construction mobilization
Apr'09
Construction Phase (19 months)
May'09-Dec'10
Agency partitioning, outfitting and occupancy
Dec'10-Mar'11

III. Cost estimates

9. The latest project cost estimates are summarized in table 2. A detailed breakdown with cash flow requirements during the period 2010 to 2012 is provided in the annex.

Table 2
Project cost estimates for the construction of new office facilities at the United Nations Office at Nairobi
(United States dollars)

Costs	*Estimates in first report (A/62/794)* (a)	*Estimates in second report (A/64/486)* (b)	*Estimates in previous report (A/65/351)* (c)	*Current estimates* (d)	*Change compared with previous report* (d)-(c)
Construction costs	18 700 000	18 931 493	19 980 000	19 980 000	—
Architects' fees	1 977 000	1 977 000	1 976 792	2 086 792	110 000
Project supervision and management	1 423 000	1 423 000	1 423 363	1 423 363	—
Other costs					
Borrowing costs (interest incurred on loan from UNEP)	163 000	163 000	163 045	163 045	—
Security requirements	1 119 200	1 119 200	56 647	56 647	—
Contingency (10 per cent of building cost)	1 870 000	1 638 307	1 652 353	1 542 353	(110 000)
Total project cost estimate	**25 252 200**	**25 252 200**	**25 252 200**	**25 252 200**	—

10. As shown in table 2, the total cost of the project remains at $25,252,200, as approved by the General Assembly in 2009. The cost breakdown, however, was altered as a result of the changes that occurred during the construction phase. The

only significant change reflected in the above table relates to the increase of architects' fees owing to the increase in construction costs.

11. The final cost of the project will be determined at the time of issuance of the final payments in June 2012. Given the cost of the project to date and the latest trend in exchange rate fluctuations, it is likely that at least part of the contingency will be released (i.e. the new office facility construction project at the United Nations Office at Nairobi may be completed below the approved budget). This matter will be discussed in a report to the General Assembly at its sixty-seventh session.

IV. Actions to be taken by the General Assembly

12. **The General Assembly is requested to take note of the report.**

Annex

Final cost plan for the construction of additional office facilities at the United Nations Office at Nairobi

(United States dollars)

	Expenditure as at 31 December 2009	*Expenditure 2010*	*Projected expenditure*		
			2011	*2012*	*Total*
Income					
Balance brought forward	—	7 838 480	(1 006 596)	1 951 607	—
Rental income	14 939 080	3 572 388	4 600 000	6 009 000	29 120 468
Interest income	1 484 521	147 465	—	—	1 631 986
Total income	**16 423 601**	**11 558 333**	**3 593 404**	**7 960 607**	**30 752 454**
Disbursements					
Construction costs	6 172 450	11 715 587	1 161 963	930 000	19 980 000
Architects' fees	1 376 792	550 000	160 000	—	2 086 792
Previous architects' fees	476 792	—	—	—	476 792
New architects' fees	900 000	550 000	160 000	—	1 610 000
Project supervision and management	816 187	299 342	307 834	—	1 423 363
Project management costs	771 225	288 692	239 483	—	1 299 400
UNON travel	—	—	32 000	—	32 000
OCSS project management	44 962	10 650	36 351	—	91 963
Other costs	219 692	—	12 000	1 530 353	1 762 045
Borrowing costs (interest incurred on loan from UNEP)	163 045	—	—	—	163 045
Security requirements	56 647	—	—	—	56 647
Contingencies	—	—	12 000	1 530 353	1 542 353
Total disbursements	**8 585 121**	**12 564 929**	**1 641 797**	**2 460 353**	**25 252 200**
Income after disbursements	7 838 480	(1 006 596)	1 951 607	5 500 254	—

Abbreviations: UNON, United Nations Office at Nairobi; OCSS, Office of Central Support Services.